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THIS IS UNEVALUATED INFORMATION

1. The final version of the 1953 Annual Report of the Technological Section, Liquid Fuels Main Administration, indicates that a total of 57 projects will be undertaken during 1954. These figures, are divided as follows:
  - a. Basic research projects - 17
  - b. Construction projects - 2
  - c. Technical projects - 38
2. Three former Soviet-owned plants (SAG's) charged the Technical Section with 22 projects, including 5 basic research projects and 17 technical projects. Four of the technical projects deal with the transfer of production techniques.
3. The remaining 35 projects are divided into 12 basic research projects, 2 construction projects, and 21 technical projects, including one dealing with the transfer of production techniques.
4. Funds in the amount of DME 5,195,000 are allotted to the section for 1954. Of this figure, DME 2,542,000 is to be furnished by the former SAG factories and DME 2,653,000 (51.6% more than last year) by other factories.
5. As a comparison, the report notes that 3 construction projects, 11 basic research projects and 21 technical projects were handled last year. These 35 projects were to have cost DME 2,217,000, but the final cost only totalled DME 2,162,000 since two basic research projects were withdrawn and the other tasks required less than was expected.
6. Of all projects undertaken in 1953, 79% were completed successfully before the end of the year, according to the report. The remaining projects represent continuing requirements which will be carried on in 1954. The problem of staffing some of the research and development jobs with qualified experts resulted in difficulties in the completion of certain projects. This problem caused the Koppau plant, for example, to discontinue work on one project.

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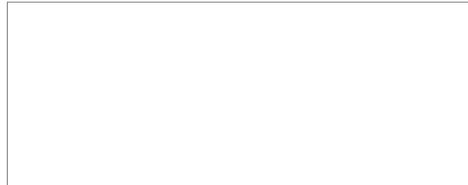
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- 2 -

7. The report also comments favorably on the sharp increase in the number of suggestions for improvement. A total of 4,400 such suggestions (was) received, representing a 51% rise as compared with 1952.
8. Of these suggestions, 3,271 were put into effect. The saving represented is estimated at RMB 3,068,915. Of this amount, 10.7% or RMB 330,990 was spent for the improvements suggested.
9. Percentage-wise, 12% of the suggestions came from the Technical Intelligence, 48% from production workers and the remaining 40% from other employees. In 1952, 35% of the suggestions came from Technical Intelligence and 32% from production workers. The report notes with satisfaction that the state-owned industries (VEB's) are recognizing, to an increasing degree, the importance of workers' suggestions for improvements.

Comment: The author of the report resorts to an excessive use of percentage figures in attempting to write a favorable balance sheet. The report admits (para. 5) that two basic research projects were "withdrawn" and notes (para. 6) the Koopezn project had to be abandoned because of personnel difficulties. It must be assumed, therefore, that 79% refers to the 33 projects that were not withdrawn. The figures therefore break down as follows: 26 projects completed successfully, 2 projects withdrawn, and 7 projects carried over to 1954.

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